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SUBJECT: UN - GA BEGINS CONSIDERATION OF BUDGET FOR
PEACEKEEPING OPERATION IN DARFUR - DIFFICULT NEGOTIATIONS
EXPECTED

SENSITIVE BUT UNCLASSIFIED - PLEASE HANDLE ACCORDINGLY

¶1. (SBU) Summary. The Fifth Committee, in formal sessions on November 19 and 20, began its consideration of the proposed budget of \$1.478 billion for the AU-UN Hybrid Operation in Darfur (UNAMID) for the period July 07/June 08. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) asserted that the proposal may be over-budgeted and recommended a reduction of \$150 million. The agenda item garnered unusually high Member State interest, with a total of 21 delegations delivering formal statements over two days of general debate. In a preview of what is expected to be difficult and time-consuming deliberations, many delegations criticized the SYG's use of "extraordinary measures" including in awarding a \$250 million single-source, non-competitive, procurement contract to PAE/Lockheed and signaled their intention to ask detailed questions on this and other aspects of the proposed budget. The Japanese delegation submitted 10 pages of questions on almost all components of the proposed budget. Mission will continue to work with the Secretariat and delegations in an effort to expedite an early agreement on the budget. End Summary.

¶2. (U) The Fifth Committee met in formal session on November 19 and 20 to begin its consideration of the financing of the AU-UN Hybrid Operation in Darfur (UNAMID). The Committee had before it a proposed budget of \$1.48 billion for the period from July 1, 2007 to June 30, 2008 (A/62/380), as presented by Bock Yeo, Officer-in-Charge of the Peacekeeping Financing Division, on behalf of the UN Controller. The budget would provide for the deployment of 240 military observers, a 19,315 military contingent, 3,772 UN police, 2,660 personnel serving in formed police units, 1,542 international staff, 3,452 national staff, 548 UN volunteers, and 6 government-provided personnel. In addition, the proposed budget includes 55 international and 30 national staff under general temporary assistance. In paragraph 23 of the proposed budget, the SYG indicated that in order to ensure full compliance with the timeline mandated by the Security Council for the deployment of military contingents to Darfur, the immediate engagement of a contractor capable of providing the logistical support services required would be necessary, as an extraordinary and exceptional measure, through issuance of a 6 month short-term sole-source contract. The SYG stressed that the international competitive procurement process for the selection of providers of such services on a long-term basis following the expiration of the short term contract has already been initiated.

¶3. (U) ACABQ Chairman Rajat Saha, in presenting the Advisory Committee's report (A/62/540), said the Advisory Committee believed that the level of the proposed budget

exceeded requirements and recommended that the budget should be reduced to \$1.33 billion - a reduction of \$150 million. Saha expressed doubts about the proposed budgeted pace of deployment of military and police personnel and the proposed operational costs of the mission and emphasized the importance of maximizing synergies between UNAMID and the UN Mission in the Sudan (UNMIS). With regard to proposed civilian posts, the ACABQ recommended that deployment of staff be phased, in order to conform to the operational needs of the mission as it evolves. Commenting on the SYG's authorization of a number of extraordinary measures to expedite the construction of camps and other procurement needs (A/62/379), which included entering into a non-competitive, single-source contract with PAE/Lockheed at \$250 million for a six-month period, the ACABQ recommended that immediate action be taken to supply goods and services using the appropriate methods. The ACABQ, without specifically criticizing the 6 month PAE contract, stressed the importance of ensuring effective international competition from all qualified vendors on a wide geographical basis.

¶4. (SBU) 21 delegations intervened. (Full texts of statements, where available, sent to IO/PSC via email. See also UN press releases www.un.org/News/Press/docs/2007/gaab3828.doc.htm and www.un.org/News/Press/docs/2007/gaab3829.doc.htm.) While Member States acknowledged the important work to be undertaken by UNAMID and affirmed their commitment to providing the Operation with the necessary resources to fulfill its mandate, several delegations indicated they wanted more detailed information from the Secretariat and further examination of the proposed budget. Japan and Canada, also on behalf of Australia and New Zealand, expressed support for the ACABQ's recommendations on the UNAMID budget. Japan submitted 10 pages of questions on almost all components of the proposed budget. USDel supported deployment of a fully operational, robust

peacekeeping force in Darfur as soon as possible, while advocating for effectiveness, efficiency, and accountability in the management of UNAMID (see paragraph 8 below).

¶5. (U) The majority of Member States intervening expressed concern regarding the SYG's awarding of a \$250 million single-source, non-competitive procurement contract to PAE/Lockheed. Angola (speaking on behalf of the African Group), Bangladesh, and Brazil said the contract award process should have been open to competitive bidding on a wide geographical basis. Canada, Egypt, India, Nicaragua, and China expressed dismay that the Secretariat deemed such measures necessary, and chided the Secretariat on the importance of advance planning in order to avoid recourse to those exceptional measures. Singapore devoted the bulk of its intervention to the issue of the PAE/Lockheed contract, stating the Secretariat did not follow proper procurement procedures and calling into question the Secretariat's accountability in preparing for UNAMID's deployment. Russia doubted the validity of the extraordinary measures and stated that urgent deployment of UNAMID should not serve as a pretext for violation of resolutions, calling the PAE/Lockheed contract "an extreme case requiring serious investigation."

¶6. (U) Sudan expressed the greatest opposition to the PAE/Lockheed contract, calling upon the SYG to distribute information to all Member States pertaining to the negotiations for the contract. The Sudanese delegation asked why the Secretariat went forward in completing the contract with PAE/Lockheed even though the company did not own the relevant equipment, stating that the equipment was owned by the U.S. government and that it was not clear the equipment would be available to the UN. Sudan charged the SYG with selective treatment of GA resolutions. As several other African delegations did, Sudan also called for the "African character" of UNAMID to be sufficiently represented, and

asked for a list of proposed leadership posts, showing those provided by the AU and the UN, respectively. Sudan also alluded to the "ethical breaches of UNMIS" in Juba, hoping they "will not be repeated" by UNAMID.

17. (U) Pakistan, on behalf of the G-77 and China, Portugal, on behalf of the EU, South Africa, Zambia, Nigeria, Ethiopia, the Philippines, and Kenya also spoke.

18. (U) U.S. Statement -

I would like to begin by thanking Mr. Bock Yeo, the Officer-in-Charge of the Peacekeeping Financing Division, for his introduction of the report of the Secretary-General on Financing of the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the period from 1 July 2007 to 30 June 2008 (A/62/380), as well as the Chairman of the Advisory Committee on Administrative and Budgetary Questions, Mr. Rajat Saha, for his introduction of the related report of the ACABQ (A/62/540).

The situation in Sudan has been and will continue to be a top priority for the United States. The large, robust peacekeeping force for Darfur that we have worked on over the last few years to protect civilians and humanitarian workers and ensure peace and security in Sudan is finally on the verge of deployment. The transition to this essential operation is due to take place by December 31st. All actors must take all possible measures to ensure that UNAMID will become fully operational as soon as possible so that the Operation can carry out its vital mandate.

My delegation commends those in the Secretariat involved in the preparation of the proposed budget and in the measures they are taking to ensure an orderly and timely transition from AMIS (the African Union Mission in the Sudan) to UNAMID.

We also welcome the analysis and recommendations provided by the ACABQ to facilitate our consideration of this matter. As my delegation has stated in this committee on other occasions, at a time of rapidly escalating expenses associated with the multiple and varied activities of this Organization, it is imperative that we make every effort to maximize the effective use of available resources through strong leadership and management, more efficient implementation of mandates and greater accountability for action.

My delegation hopes that we will proceed without delay to complete our examination of the proposed budget and adopt the budget to ensure that UNAMID will have the funds it needs to implement its vital mandate.

Khalilzad